

AR85

This Listing Statement is compiled by the Exchange from documents filed by the Company in making application for listing. It is issued for the information of members, member firms and member corporations of the Exchange. It is not and is not to be construed as a prospectus. The Exchange has received no consideration in connection with the issue of this Listing Statement other than the customary listing fee. The documents referred to above are open for inspection at the general office of the Exchange.

LISTING STATEMENT NO. 2336.

LISTED JANUARY 7, 1969.

1,765,082 Common Shares without par value of which 809,620 shares are subject to issuance.
Stock Symbol "ELF".
Post Section 10.
Dial Quotation No. 2068.

Handwritten signature

THE TORONTO STOCK EXCHANGE
LISTING STATEMENT

E-L FINANCIAL CORPORATION LIMITED

Incorporated under the Laws of the Province of Ontario
by Letters Patent dated November 13, 1968

CAPITALIZATION AS AT DECEMBER 30, 1968

(a) SHARE CAPITAL				AUTHORIZED	ISSUED AND OUTSTANDING	TO BE LISTED
Preference Shares N.P.V.	....	....	....	5,000,000	Nil	Nil
Common Shares 50¢ par	....	....	....	10,000,000	955,462	1,765,082*
* of which 809,620 common shares are subject to issuance,						
(b) COMMON SHARE PURCHASE WARRANTS, 1968 ISSUE					ISSUED AND OUTSTANDING	TO BE POSTED FOR TRADING
Share Purchase Warrants	....	....	....	....	238,862.5	352,914*
* of which 114,151.5 share purchase warrants are subject to issuance.						

1. APPLICATION

E-L FINANCIAL CORPORATION (hereinafter called the "Company") hereby makes application for the listing of 1,765,082 common shares without par value in the capital stock of the Company, of which 955,462 have been issued and are outstanding as fully paid and non-assessable. The remaining 809,620 shares included in this application have been reserved as follows:

For issue pursuant under the offer for all of the common stock of Empire Life (herein described) to holders who have not as yet deposited their shares	....	....	....	456,606.0
For issue on exercise of warrants now outstanding	....	....	....	238,862.5
For issue on exercise of the warrants offered pursuant to the offer for all the common stock of Empire Life to holders who have not as yet deposited their shares	....	....	....	114,151.5
				809,620

2. HISTORY

The Company was incorporated on November 13, 1968 by Letters Patent under The Corporations Act of Ontario to acquire all the issued and outstanding shares of The Empire Life Insurance Company, which company was also incorporated by Letters Patent under the laws of Ontario, and is listed on The Toronto Stock Exchange.

On or about November 27, 1968, the Company made a formal offer to the shareholders of Empire Life Insurance Company offering 1,409,056 common shares and 352,264 share purchase warrants for all of the outstanding shares of Empire Life on the basis of four shares of the Company plus one share purchase warrant for every two shares of Empire Life. A copy of the formal offer setting forth all terms and conditions of the offer is enclosed with this listing application. Also enclosed are copies of the "Take-over Bid Circular" and of the "Directors' Circular" prescribed by Part IX of the Securities Act, 1966 as amended.

3. NATURE OF BUSINESS

E-L Financial is a holding company whose only assets at December 30, 1968 are monies in the bank, certain prepaid expenses, and 476,225 shares or 67% of the issued and outstanding shares of The Empire Life Insurance Company.

For a more complete description of E-L Financial see the Offering Circular which is attached. For details of the operations of The Empire Life Insurance Company see Item 9 below.

4. INCORPORATION

E-L Financial was incorporated under the laws of the Province of Ontario by Letters Patent dated November 13, 1968, with an authorized capital of 10,000,000 common shares with par value of \$.50, and with 5,000,000 preference shares without par value.

5. SHARES ISSUED DURING THE PAST TEN YEARS

(a) Common Shares Without Par Value

<u>Date of Issue</u>	<u>No. of Shares Issued</u>	<u>Realized Per Share</u>	<u>Total Amount Realized</u>	<u>Purpose of the Issue</u>
November 13, 1968	12	\$13.00	\$ 156.00	Directors' qualifying shares
November 13, 1968	3,000	\$13.00	\$39,000.00	To provide funds for incorporation costs and cost of offer to acquire The Empire Life Insurance Co.
December 30, 1968	952,450	½ share Empire Life	—	

Note: E-L Financial offered 1,409,056 common shares under an offer on November 27, 1968 together with 352,264 share purchase warrants in exchange for all the outstanding shares of The Empire Life Insurance Company on the basis of four shares of E-L Financial plus one share purchase warrant for every two shares of Empire Life.

The issue and allotment of 3,000 common shares on November 13, 1968 was accompanied by an issue of share purchase warrants entitling the holder to the right to purchase 750 common shares of E-L Financial.

6. STOCK PROVISIONS AND VOTING POWERS

Each common share carries one vote at all meetings of the shareholders. The no par value preference shares, none of which are outstanding, are issuable in one or more series by the directors of E-L Financial who have the right, subject to the issue of supplementary letters patent in each case, to fix the designation, preferences, rights, conditions, restrictions, limitations or prohibitions to be attached to preference shares of each series, including the rate of preferential dividends, if any, their cumulative or non-cumulative character, if any, voting rights, convertibility, and all other preferences. Because such preference shares are without par value they will be redeemable if issued. Because such preference shares are issuable in series, all series must carry the same voting rights or must all be non-voting.

7. DIVIDEND RECORD

E-L Financial has not paid any dividends on its shares.

8. RECORD OF PROPERTIES

E-L Financial is a holding company and actually owns no properties.

9. SUBSIDIARY COMPANIES

The Empire Life Insurance Company is a subsidiary of E-L Financial.

Empire Life was incorporated by the issue of Letters Patent under the Ontario Insurance Act on January 11th, 1923 and commenced operations that year. In 1929 it absorbed the Commonwealth Life and Accident Insurance Company; in 1934 it acquired all the life insurance policies and sick benefits of the Canadian Order of Oddfellows and in 1936 it took over the Mutual Relief Life Insurance Company. Empire Life is licensed to write insurance in the provinces of Prince Edward Island, Quebec, Ontario, Manitoba, Saskatchewan, Alberta and British Columbia. In addition it is represented outside of Canada in Jamaica, West Indies, and Bermuda. Empire Life writes life, endowment and term insurance both participating and non-participating. Annuities are also written. During 1963 the Company entered the health insurance field. It writes individual total disability income benefits, and group income continuance and weekly indemnity benefits. Empire Life also maintains a segregated investment fund against which it issues insurance and annuities combined with common stock performance.

10. FUNDED DEBT

E-L Financial has no funded debt.

No securities commission or similar authority in Canada has in any way passed upon the merits of the securities offered hereunder and any representation to the contrary is an offence.

This offer is not and under no circumstances is to be construed as an offer to any resident of the United States of America or of any of the territories or possessions thereof.

OFFER

by

E-L Financial Corporation Limited

To the holders of shares (other than those resident in the United States of America or in the territories or possessions thereof)

of

The Dominion of Canada General Insurance Company

The basis of the offer is:

- (i) 3 Series A Convertible Preference shares of E-L Financial Corporation Limited, each carrying an annual non-cumulative 50¢ dividend, the right to be converted at any time into 1 common share and the right to one vote,
- (ii) 7 common shares of E-L Financial Corporation Limited, and
- (iii) a share purchase warrant of E-L Financial Corporation Limited evidencing the right to subscribe for 1 common share of E-L Financial Corporation Limited at \$12.00 at any time up until December 22, 1978.

for each share of THE DOMINION OF CANADA GENERAL INSURANCE COMPANY.

The offer appears on pages 2 and 3. An Information Circular accompanies the offer and commences on page 4.

Henry S. Gooderham and members of his family, H. R. Jackman, Q.C. and companies associated with him and other directors of The Dominion of Canada General Insurance Company, holding in the aggregate in excess of 50% of the issued shares of THE DOMINION OF CANADA GENERAL INSURANCE COMPANY have agreed to accept the offer upon the condition that it is made simultaneously to all the other shareholders of THE DOMINION OF CANADA GENERAL INSURANCE COMPANY except shareholders resident in the United States of America or in any of the territories or possessions thereof. The Directors of THE DOMINION OF CANADA GENERAL INSURANCE COMPANY recommend acceptance of the offer and their Directors' Circular appears on page 24.

There will be no change in the management or in the Board of Directors of THE DOMINION OF CANADA GENERAL INSURANCE COMPANY as a result of making this offer.

Shareholders who intend to accept the offer should use the accompanying transmittal letter.

The Offer may be accepted at any time on or before the 28th day of February, 1969.

E-L FINANCIAL CORPORATION LIMITED

TO THE HOLDERS OF SHARES OF

The Dominion of Canada General Insurance Company

(other than those resident in the United States of America
or in the territories or possessions thereof)

E-L Financial Corporation Limited (hereinafter called "E-L Financial") hereby offers to acquire all the outstanding shares of **THE DOMINION OF CANADA GENERAL INSURANCE COMPANY** (hereinafter called "DOMINION"), except shares held by residents of the United States of America or of the territories or possessions thereof, by exchanging for each share of DOMINION:

- (i) 3 Series A Convertible Preference shares of E-L Financial, each carrying an annual non-cumulative 50¢ dividend and the right to be converted at any time into 1 common share and the right to 1 vote,
- (ii) 7 common shares of E-L Financial, and
- (iii) a share purchase warrant to subscribe for 1 common share of E-L Financial at \$12 at any time up until December 22, 1978.

A full description of the preferences, rights, conditions, restrictions, limitations and prohibitions attached to the preference shares as a class and to the Series A Convertible Preference shares as a series together with a full description of the terms and conditions to be contained in the warrants is set forth in the attached Information Circular under the heading "**Description of Securities Offered**".

This offer is made upon and subject to the following terms and conditions:

1. Acceptance of this offer may be made by depositing on or before February 28, 1969 (or later date as hereinafter set forth) with Canada Permanent Trust Company at its office at 34 King Street West in the City of Toronto, the appropriate certificate or certificates representing shares of DOMINION, **duly endorsed in blank for transfer or accompanied by an irrevocable stock transfer power duly executed in blank and in either case with signature guaranteed by a Canadian bank or by a member firm of The Toronto Stock Exchange** or in some other manner satisfactory to Canada Permanent Trust Company **together with a duly completed and signed letter of transmittal in the form enclosed.**
2. This offer may be accepted by any shareholder on or before February 28, 1969, provided, however that E-L Financial in its discretion may from time to time extend the time for acceptance of this offer without notice to the shareholders of DOMINION who have not deposited their shares. Any shares represented by certificates deposited as hereinbefore provided may be withdrawn by or on behalf of the depositing shareholder on or prior to February 3, 1969, but if not so withdrawn or if deposited after that date, will be taken up forthwith by E-L Financial in accordance with the terms of this offer.
3. Certificates representing the Series A Convertible Preference shares, common shares, and share purchase warrants of E-L Financial to be issued in exchange for shares of DOMINION shall be delivered to shareholders of DOMINION, or at the option of E-L Financial shall be forwarded by insured mail to such shareholders at their respective addresses specified in the letter of transmittal. In the event that no such address is so specified, certificates shall be sent to the respective addresses of such shareholders as the same appear in the books of DOMINION kept by its transfer agent and registrar, Canada Permanent Trust Company.
4. The Series A Convertible Preference shares and the common shares of E-L Financial to be issued hereunder in exchange for shares of DOMINION will be issued as fully paid and non-assessable shares.
5. All such share certificates and warrants which are mailed shall be deemed to have been delivered to any registered holders as soon as the letters in respect of each such registered holder have been received by the Post Office.

6. The Series A Convertible Preference shares, common shares and the share purchase warrants of E-L Financial hereby offered in exchange for the shares of DOMINION are not being offered in, or to residents of, the United States of America or the territories or possessions thereof. E-L Financial will not accept shares of DOMINION tendered to it for exchange under the terms of this offer by any person directly or through an agent, where such person appears to E-L Financial to be or where E-L Financial has reason to believe such person is a resident of the United States of America or any territory or possession thereof.

Dated at Toronto, January 23, 1969

E-L FINANCIAL CORPORATION LIMITED

by: H. R. JACKMAN, Q.C.

President

INFORMATION CIRCULAR

ACCOMPANYING THE OFFER DATED JANUARY 23, 1969 BY E-L FINANCIAL CORPORATION LIMITED (HEREINAFTER CALLED "E-L FINANCIAL") TO ACQUIRE SHARES OF THE DOMINION OF CANADA GENERAL INSURANCE COMPANY (HEREINAFTER CALLED "DOMINION")

E-L FINANCIAL

E-L Financial was incorporated as a public company under the laws of the Province of Ontario by Letters Patent dated November 13, 1968. The purpose of E-L Financial is to provide, either directly or through subsidiaries or affiliates, a wide range of insurance and financial services and products.

Under an offer dated November 27th, 1968 E-L Financial has acquired up to January 21, 1969 590,269 or 83.78% of the 704,528 outstanding shares of The Empire Life Insurance Company (herein called "Empire Life"). This offer to the shareholders of Empire Life (which is on the basis of 4 common shares of E-L Financial and a share purchase warrant of E-L Financial evidencing the right to subscribe for 1 common share of E-L Financial at \$12 until December 22, 1978 for each 2 shares of Empire Life) is still outstanding and is open for acceptance until January 31, 1969, but may be extended without notice by the Directors of E-L Financial. At the present time E-L Financial's only significant asset is its controlling interest in Empire Life.

E-L Financial was formed to create a public company which would be closely allied to the insurance industry, but which would have sufficiently broad corporate powers to allow its shareholders an opportunity to participate in a wider range of activities than that in which Canadian insurance companies are permitted to engage. The activities of Canadian insurance companies and their investments are limited by legislation, which inhibits their ability to develop new products and provide a complete financial service to policyholders. Sale of mutual funds is a case in point. E-L Financial is not subject to these restrictions and will be able to offer a diversified range of financial services.

It is becoming evident that many of the traditional concepts of selling and merchandising insurance have been changing. There is evidence to suggest that the independent agent who services the policyholder is being forced by competition to think less in terms of individual lines of insurance and more about the overall insurance and financial planning of the clients. Thus the ability to provide a more complete financial service is highly desirable. E-L Financial has sufficiently broad corporate powers to have subsidiaries or affiliates engaging in all types of insurance and financial businesses. This will give the agents of each of E-L Financial's subsidiaries and affiliates access to the facilities of the entire organization.

The desirability of providing the client with a more complete financial service has been recognized in the United States where it has resulted in the formation of holding companies many of which affiliate in one group life insurance companies, general insurance companies and mutual funds. The four largest stock United States companies in the life insurance industry—Travelers, Aetna Life, Connecticut General and Lincoln National have all formed holding companies. In the property and liability field United States companies instrumental in the formation of holding companies include Insurance Company of North America, Fireman's Fund, Continental Casualty, St. Paul Fire and Marine, and Federal Insurance.

E-L Financial expects to continue to take advantage of any favourable opportunity to expand in directions which represent logical extensions of its present activities. Such expansion might include, for example, the formation or the acquisition as subsidiaries of E-L Financial of other companies, in the insurance or other fields, in Canada or elsewhere; such expansion might also be undertaken directly by E-L Financial. While E-L Financial is empowered to make any type of investment it chooses without restriction, it is not the intention of the directors of E-L Financial that it engage in the business of a general investment company.

Henry S. Gooderham and members of his family, H. R. Jackman, Q.C. and companies associated with him and other directors of DOMINION have agreed to tender in acceptance of the offer more than 50% of the outstanding shares of DOMINION provided that the same offer is made by E-L Financial to all shareholders of DOMINION except those resident in the United States of America or in any of the territories or possessions thereof.

It is not the intention of the directors of E-L Financial to merge the operations of DOMINION with Empire Life. DOMINION will retain the same management and directors as at present, and both DOMINION and Empire Life will continue to operate independently each however capitalizing on the strength of the other, to the advantage of both. Specifically E-L Financial can assist the affiliated companies by expanding the opportunities for utilization of specialized personnel. The combined organization with its greatly strengthened underwriting ability, should be able to provide a wider range of financial services in an integrated marketing effort. Co-operative marketing by DOMINION and Empire Life should be of benefit to both and the competitive position and earning power of their agency forces strengthened.

It is planned to enlarge the Board of Directors of E-L Financial to include all the directors of DOMINION. Henry S. Gooderham, who is chairman of DOMINION, has agreed to become chairman of E-L Financial.

Management

The Directors of E-L Financial are the same as those of Empire Life. However it is proposed to enlarge the board of directors of E-L Financial at the first general meeting of the Company in the spring of 1969, and to elect to the board of E-L Financial, the directors of DOMINION who are not already directors of E-L Financial and whose names are set out below under the sub-heading "Proposed Additional Directors".

The following are the directors, proposed additional directors and officers of E-L Financial:

Directors

- (i) HENRY R. JACKMAN, Q.C.*
35 Rosedale Road, Toronto 5, Ontario
director of Empire Life since May, 1956
Chairman of Empire Life
financial executive
- (ii) HERBERT H. BLAKEMAN, F.S.A., F.C.I.A.*
27 Hill Street, Kingston, Ontario
director of Empire Life since January, 1948
President of Empire Life
insurance company executive
- (iii) N. DONALD McDONALD, M.B.E., F.L.M.I.*
128 Churchill Crescent, Kingston, Ontario
director of Empire Life since December, 1960
Executive Vice-President of Empire Life
insurance company executive
- (iv) ARTHUR PEDOE, F.I.A., F.S.A., F.C.I.A.*
70 Inglewood Drive, Toronto 7, Ontario
director of Empire Life since May, 1965
research actuary
- (v) AIR MARSHAL WILFRED A. CURTIS, S.M., C.B., C.B.E., D.S.C., D.Mil.Sc., LL.D., E.D.
619 Avenue Road, Toronto 7, Ontario
director of Empire Life since February, 1953
Chairman, W. A. Curtis & Company Limited, Insurance
- (vi) HONOURABLE LOUIS P. BEAUBIEN
1 Ontario Place, Montreal, Quebec
director of Empire Life since March, 1961
Senator, Parliament of Canada
- (vii) HENRY N. R. JACKMAN*
91 Crescent Road, Toronto 5, Ontario
director of Empire Life since February, 1965
Financial Vice-President of Empire Life
financial executive

- (viii) **NEWMAN A. FAIRHEAD**
31 Rosedale Road, Apt. 106, Toronto 5, Ontario
director of Empire Life since February, 1935
President, Lake Simcoe Ice & Enterprises Limited
 - (ix) **DR. WILLIAM A. MACKINTOSH, C.C., C.M.G., Ph.D., LL.D., D.C.L.**
235 Alwington Place, Kingston, Ontario
director of Empire Life since May, 1965
former Vice-Chancellor, Queen's University
 - (x) **THOMAS OAKLEY**
Bobcaygeon, Ontario
director of Empire Life since February, 1952
Vice-President, Canadian China & Glass Co. Ltd.
 - (xi) **CHARLES P. FELL, LL.D.***
52 Park Lane Circle, R.R. # 1, Don Mills, Ontario
director of Empire Life since July, 1932
former President of Empire Life
- *denotes a member of the Executive Committee.

Proposed Additional Directors

- (xii) **HENRY S. GOODERHAM**
79 South Drive, Toronto 5, Ontario
Chairman, The Dominion of Canada General Insurance Company
insurance executive, and a director of DOMINION since 1936
- (xiii) **H. NORMAN HANLY**
11 Elm Avenue, Toronto 5, Ontario
President, The Dominion of Canada General Insurance Company
insurance executive, and a director of DOMINION since 1968
- (xiv) **LESTER M. KEACHIE, C.B.E., Q.C.**
9 Strathearn Road, Toronto 10, Ontario
Vice-President, The Dominion of Canada General Insurance Company
barrister-at-law, and a director of DOMINION since 1943
- (xv) **PETER S. GOODERHAM**
66 Garfield Avenue, Toronto 7, Ontario
Vice-President, The Dominion of Canada General Insurance Company
Vice-President, Wills, Bickle and Company, and a director of DOMINION since 1957
- (xvi) **W. LEO KNOWLTON, Q.C.**
561 Avenue Road, Toronto 7, Ontario
Vice-President, Canada Permanent Trust Company, and a director of DOMINION since 1961
- (xvii) **BRIAN R. B. MAGEE**
177 Teddington Park, Toronto 12, Ontario
President, A. E. LePage Limited, and a director of DOMINION since 1967
- (xviii) **WILFRID MAVOR, C.B.E., M.C.**
24 Thornwood Road, Toronto 5, Ontario
Chairman of the Board, Ferro Enamels (Canada) Ltd., and a director of DOMINION since 1951
- (xix) **LAURENCE M. SAVAGE**
Galt, Ontario
company director, and director of DOMINION since 1953

Officers

- (i) President—**HENRY R. JACKMAN** (listed above)
- (ii) Secretary—**J. ALEX LANGFORD**
129 Coldstream Avenue, Toronto 12, Ontario
barrister and solicitor

HENRY S. GOODERHAM, Chairman of DOMINION has agreed to become chairman of E-L Financial.

Dividend Policy

No dividends have been declared on shares of E-L Financial. It is the intention of the directors of E-L Financial to declare dividends for 1969 as follows: 50 cents on each Series A Convertible Preference share and 3 cents on each common share. The directors in considering the matter of dividends in future years will take all relevant factors into account and, in particular, the dividends received by E-L Financial on its holdings in Empire Life and DOMINION; in this connection reference is made to the paragraph headed "Empire Life Profits and Dividends" on page 15 of this Information Circular. It should be noted that the Series A Convertible Preference shares are not entitled to any dividends in excess of 50 cents per share per annum.

Capitalization

<u>Designation of Security</u>	<u>Amount Authorized</u>	<u>Amount Outstanding (Jan. 21, 1969)</u>	<u>Amount to be outstanding after giving effect to the offers and the assumptions relating thereto (note II and III)</u>
Preference Shares without par value issuable in series..	5,000,000 shs.		
Series A Convertible Preference Shares.....	606,180 shs.	Nil	606,180
Common Shares par value 50¢ each.....	10,000,000 shs.	1,183,550	2,826,488

NOTES:

- I. Particulars of the Series A Convertible Preference shares are set forth under the heading "Description of Securities Offered".
- II. The number of Series A Convertible Preference and common shares to be outstanding after giving effect to this offer cannot at present be determined. There are 202,060 shares of DOMINION outstanding. Acceptance of this offer could result in the issue of a maximum of 606,180 E-L Financial Series A Convertible Preference shares, and 1,414,420 common shares, and for the purposes of the above table it has been assumed (an assumption which may or may not be realized) that such maximum number of shares will be issued.
- III. Under an offer dated November 27th, 1968 E-L Financial offered to acquire outstanding shares of Empire Life in exchange for its own common shares. Under the terms of the offer 4 common shares of E-L Financial together with a warrant evidencing the right to subscribe for an additional common share of E-L Financial at any time up until December 22, 1978, upon payment of the fixed sum of \$12.00, were offered for each two shares of Empire Life. There are 704,528 shares of Empire Life outstanding.
As of January 21, 1969 this offer had been accepted as to 590,269 or 83.78% of the outstanding shares of Empire Life. As this offer is still outstanding, the number of common shares of E-L Financial to be issued under this offer cannot at present be determined. At present there are 114,259 shares of Empire Life not owned by E-L Financial. Complete acceptance of the offer to Empire Life's shareholders could result in the issue of a maximum of a further 228,518 E-L Financial common shares. For the purposes of the above table it has been assumed (an assumption which may or may not be realized) that such maximum number of shares will be issued.
- IV. An additional 295,884 common shares were reserved as of January 21, 1969 for exercise of share purchase warrants. If the offers referred to above are accepted to the maximum extent possible, warrants evidencing the right to purchase a further 259,190 shares will be issued and an appropriate number of common shares will be reserved for their exercise.

Description of Securities Offered

I. SERIES A CONVERTIBLE PREFERENCE SHARES

The authorized capital of E-L Financial includes 5,000,000 preference shares without par value issuable in series.

The preference shares as a class have attached thereto the following preferences, rights, conditions, restrictions, limitations and prohibitions:

- (1) The preference shares may at any time or from time to time be issued in one (1) or more series, each series to consist of such number of shares as may before the issue thereof be determined by the directors; the directors of the Company may (subject as hereinafter provided) by resolution fix from time to time before the issue thereof the designation, preferences, rights, conditions, restrictions, limitations or prohibitions attaching to the preference shares of each series including, without limiting the generality of the foregoing, preferential dividend rights, their cumulative or non-cumulative character, the dates of payment thereof, conversion rights (if any), voting rights and any other provisions, the whole subject to the issue of Supplementary Letters Patent setting forth the

designation, preferences, rights, conditions, restrictions, limitations or prohibitions attaching to the preference shares of such series;

- (2) The preference shares of each series shall be entitled to preference over the common shares of the Company and any other shares ranking junior to the preference shares with respect to payment of preferential dividends;
- (3) Where any dividends are not paid in full, the shares of all series of the preference shares shall participate rateably in respect of such dividends, including accumulations, if any, in accordance with the sums that would be payable on such shares if all such dividends were declared and paid in full; and
- (4) The authorization required by subsection 4 of section 33 of The Corporations Act to delete or vary any preference, right, condition, restriction, limitation or prohibition attaching to the preference shares as a class or to create preference shares ranking in priority to or on a parity with the preference shares may be given by at least two-thirds ($\frac{2}{3}$) of the votes cast at a meeting of the holders of the preference shares duly called for that purpose; the formalities to be observed in respect of the giving of notice of any such meeting or adjourned meeting and the conduct thereof shall be those from time to time prescribed in the by-laws of the Company with respect to meetings of shareholders;

By a resolution passed at a meeting of the Board of Directors on January 16, 1969, 606,180 of the preference shares were designated as Series A Convertible Preference shares and this action of the Board was confirmed by the issue of Supplementary Letters Patent dated January 17, 1969.

The Series A Convertible Preference shares carry, in addition to the preferences, rights, conditions, restrictions, limitations and prohibitions which apply to all the preference shares as a class and which are listed above, the following:

1. The holders of the Series A Convertible Preference shares in priority to the common shares and any other shares ranking junior to the Series A Convertible Preference shares shall be entitled to receive when, as and if declared by the board of directors of the Company out of the net profits or surplus of the Company properly applicable to the payment of dividends a fixed preferential non-cumulative dividend of fifty cents (50¢) per share per annum; if within four months from the expiration of any fiscal year of the Company the board of directors of the Company in its discretion shall not declare the said dividend or any part thereof on the Series A Convertible Preference shares for such fiscal year, then the rights of the holders of the Series A Convertible preference shares to such dividend or to any undeclared part thereof for such fiscal year shall be forever extinguished; the holders of the Series A Convertible Preference shares shall not be entitled to any dividend other than or in excess of the fixed preferential non-cumulative dividend hereinbefore provided for; no dividend shall be declared or paid upon or set aside for the common shares or any other shares ranking junior to the Series A convertible preference shares in any fiscal year unless and until the fixed preferential non-cumulative dividend hereinbefore provided for in respect of that fiscal year on the Series A Convertible Preference shares shall have been declared and paid or set aside for payment.
2. In the event of the liquidation, dissolution or winding up of the Company or other distribution of assets of the Company among the shareholders for the purpose of winding up its affairs each holder of a Series A convertible preference share and each holder of a common share shall be entitled to participate equally therein without distinction as to class.
3. The holders of the Series A convertible preference shares shall be entitled to one (1) vote for each Series A convertible preference share held by them respectively at all meetings of shareholders of the Company; the holders of the common shares shall be entitled to one (1) vote for each common share held by them at all meetings of the shareholders of the Company.
4. The holder of Series A convertible preference shares shall be entitled to have all or any of the Series A convertible preference shares held by him converted into common shares of the Company on the basis of one (1) common share for each Series A convertible preference share which such holder may desire to convert; a holder of Series A convertible preference shares desiring to convert all or some of such shares into common shares in accordance with the foregoing shall surrender the

certificate or certificates representing his Series A convertible preference shares so to be converted to the transfer agent for the time being of the Series A convertible preference shares at its principal office in the City of Toronto, in the County of York, Province of Ontario, together with a request in writing for such conversion with his signature thereon verified as the directors of the Company may from time to time require; if the Series A convertible preference shares or the common shares shall, prior to the exercise by the holder of any Series A convertible preference shares of his aforesaid conversion right, be subdivided or consolidated, the number of common shares into which such holder may thereafter convert his Series A convertible preference shares shall be appropriately adjusted; if any such adjustment involves a fraction of a common share no fractional share will be issued but the Company shall issue in lieu thereof non-voting and non-dividend bearing fractional certificates in a form approved by the board of directors of the Company. If the Company proposes at any time to pay any dividend on its common shares payable in whole or in part in shares of the Company or if the Company proposes at any time to issue subscription warrants or other rights to all the holders of its common shares to subscribe for shares of the Company, the Company shall so notify each registered holder of Series A convertible preference shares by written notice sent by ordinary prepaid mail to the last address of such holder shown on the books of the Company at least ten (10) days prior to the date fixed by the Company as the record date for payment of such dividend or for the issue of such subscription warrants or other rights to subscribe for shares of the Company; and

5. No application for supplementary letters patent to delete or vary any preference, right, condition, restriction, limitation or prohibition attaching to the Series A convertible preference shares and not to the preference shares as a class shall be made by the Company until such application has been authorized by at least two-thirds ($\frac{2}{3}$) of the votes cast at a meeting of the holders of the Series A convertible preference shares duly called for that purpose; the formalities to be observed in respect of the giving of notice of any such meeting and the conduct thereof shall be those from time to time prescribed in the by-laws of the Company with respect to meetings of shareholders.

The Corporations Act of Ontario provides that preference shares without par value are not subject to redemption or purchase for cancellation. The Act also provides, with respect to preference shares issuable in series, that the shares of all series of the same class of preference shares shall carry the same voting rights.

II. SHARE PURCHASE WARRANTS

The share purchase warrants give the holder the right to subscribe for the number of common shares of E-L Financial specified therein at any time up until December 22, 1978, upon payment of the fixed sum of twelve dollars (\$12) for each share subscribed for. The warrants will contain a provision to the effect that if at any time prior to December 22, 1978 and while any warrants are outstanding E-L Financial shall have entered into any transaction or taken any corporate proceedings (whether by way of consolidation or subdivision of its outstanding common shares or by way of amalgamation, consolidation or merger with or into any other company or otherwise) whereby its outstanding common shares are converted into shares or other securities or property of E-L Financial or of any other company, the holder of each warrant on exercise thereof after the effective date of such conversion shall be entitled to receive and shall accept, in lieu of the common shares of E-L Financial otherwise issuable to such holder upon exercise of such warrant, the shares or other securities or property of E-L Financial or of such other company which such holder would have been entitled to receive on the effective date of such conversion if such holder on the effective date of such conversion had been the registered holder of the common shares of E-L Financial otherwise issuable to such holder upon exercise of such warrant; the whole subject to such adjustments, if any, as the board of directors of E-L Financial by resolution determines to be appropriate in the circumstances of any particular case. The warrants will also contain a provision to the effect that the rights evidenced by the warrants and any of the terms and provisions of the warrants may be altered, modified or changed by resolution of the board of directors of E-L Financial if such resolution is approved by not less than two-thirds of the votes cast on a poll at a meeting of the holders of the warrants called, upon notice given not less than 21 days prior to the date of such meeting, for the purpose of considering the same, and that at any such meeting a quorum shall consist of the holders of the warrants present in person or by proxy representing not less than 25% of the aggregate number of rights represented by the warrants outstanding.

EMPIRE LIFE

Empire Life is one of the fastest-growing life insurance companies in Canada. New life insurance sales during 1968 were \$153 million in net amount, being an increase of 48% over the previous year. For both individual and group business, the growth of new sales is well above the average for the industry.

Empire Life undertakes ordinary and group business, issuing both participating and non-participating policies in many forms including life, endowment, term, annuities, and equity-linked annuity and insurance plans, and also individual total disability income benefits and group income continuance and weekly indemnity benefits.

Empire Life sells insurance and provides service to its policyholders through 27 branch offices in the following locations: Metro Toronto (7), Hamilton, Kingston, London, Ottawa, St. Catharines, Windsor, Montreal (5), Quebec, Sherbrooke, Three Rivers, Charlottetown, Winnipeg, Calgary (2), Edmonton and Vancouver.

In addition, Empire Life operates through a system of general agencies across Canada and also in Bermuda and Jamaica.

Group insurance offices are also located in Montreal, Toronto, Edmonton and Vancouver.

Empire Life has experienced substantial growth in its insurance in force, total assets, total income, and surplus funds in recent years, as illustrated in the following table which also sets out the price range of Empire Life shares over the period covered thereby:

Year	Insurance in Force*	Total Assets	Total Income	Contingency Reserves, Capital and Surplus	Price Range of Empire Life shares
	In Thousands of Dollars				\$
1968.....	830,157	83,948	18,614	9,274	9 -27
1967.....	718,287	75,529	16,365	8,701	9 $\frac{1}{4}$ -16 $\frac{5}{8}$
1966.....	638,972	69,821	15,135	7,991	14 $\frac{1}{4}$ -22 $\frac{1}{4}$
1965.....	564,851	64,530	14,020	7,280	15 $\frac{7}{8}$ -28 $\frac{7}{8}$
1964.....	489,988	58,630	12,976	6,678	9 $\frac{1}{8}$ -18
1963.....	419,800	53,797	11,512	6,167	8 $\frac{5}{8}$ -11 $\frac{3}{4}$
1962.....	379,809	49,131	10,399	5,590	5 $\frac{1}{2}$ - 9 $\frac{3}{4}$
1961.....	329,378	44,800	9,446	4,789	3 $\frac{1}{8}$ - 8 $\frac{5}{8}$
1960.....	295,025	40,888	8,532	4,179	2 $\frac{1}{2}$ - 3
1959.....	261,364	37,364	7,775	3,689	2 $\frac{7}{8}$ - 3 $\frac{1}{8}$
1958.....	231,456	34,771	6,995	3,327	2 $\frac{1}{2}$ - 2 $\frac{7}{8}$

*Net of reinsurance ceded.

Some Factors Affecting Accounting and Profits

Empire Life's charter requires it to keep separate accounts for its participating business, non-participating business and its shareholders' capital and surplus. Net investment income, including gains and losses from the sale of investments, is allocated each year between the three accounts in proportion to their mean balances at the beginning and at the end of the year. The holders of participating policies are entitled to 90% of the net profits derived from the participating policies, but policyholders have no interest in net profits derived from non-participating policies.

Owing to the statutory accounting practices prescribed for the life insurance industry by the Ontario Insurance and Corporations Acts and by the Department of Insurance in Ontario, as well as to certain unique features of the life insurance business, reported profit and loss statements of life insurance companies are affected by factors not usually found in other industries.

In the first place, the cost of putting new business on the books is charged as a current expense in the year that a policy is written. Such costs, which include commission and bonus to the agent, medical and investigation expenses as well as the clerical and administrative costs of issuing the policy, usually are greater than the first year premium received. In addition, the Company must set aside a minimum initial reserve provision, as prescribed by law, although most rapidly growing companies including Empire Life, ease the impact of the first year costs by setting aside a modified reserve in the first year followed by slightly larger annual increments in subsequent years.

The writing of such new insurance, therefore, requires a substantial initial investment by the life insurance company; but once on the books, such insurance becomes a valuable asset. A company, however, is not permitted to take credit for this asset in its financial reports made to regulatory authorities. The result is that the reported profits of the company which is placing an increasing amount of new business on its books are adversely affected by the excess of the costs and reserves referred to above over the premiums received therefor.

A further factor affecting an insurance company's statement of operations is the requirement that the total cost of acquiring certain assets, such as recruiting sales staff, agents' debit balances, leasehold improvements, office equipment, furniture etc., be written off as an expense in the year of acquisition. Again a company such as Empire Life which is expanding rapidly usually will be affected more by the writing-off of such assets than will a larger established company for which such expenditures are of less importance in its overall operations.

Life Insurance in Force

The progress of Empire Life's operations is shown by the following table of gross amount of life insurance in force at the end of each year.

(in thousands of dollars)

Year	Ordinary Participating		Ordinary Non-participating		Group* Non-participating
	Whole Life and Endowment†	Term*	Whole Life and Endowment	Term*	
1968.....	189,145	30,783	162,789	199,711	177,746
1967.....	177,088	28,019	161,391	168,532	160,298
1966.....	160,795	25,988	158,561	144,248	145,780
1965.....	155,898	23,152	149,696	130,950	108,795
1964.....	150,284	20,482	140,758	115,180	75,617
1963.....	140,807	18,552	127,730	100,124	50,481
1962.....	132,916	14,751	120,163	86,611	42,267
1961.....	122,519	11,040	114,147	69,629	27,705
1960.....	115,198	8,072	107,677	56,396	21,469
1959.....	107,460	4,371	97,009	45,009	22,713
1958.....	99,602	3,920	84,942	39,075	18,480

*includes temporary additions (Continuing Income and term-riders).

†includes bonus additions.

In Force Annuities

The growth of the gross amount of annuities in force (vested and deferred) valued on annual payment basis is indicated as follows. As of December 31, 1968 47.6% of ordinary annuity payments were on a participating basis while 52.4% of such payments were on a non-participating basis. All group annuities are on the non-participating basis.

Year	Ordinary	Group*
1968.....	\$941,143	\$627,000
1967.....	778,000	516,000
1966.....	727,000	513,000
1965.....	662,000	598,000
1964.....	520,000	402,000
1963.....	439,000	328,000
1962.....	377,000	250,000
1961.....	348,000	101,000
1960.....	311,000	51,000
1959.....	302,000	40,000
1958.....	234,000	2,000

*NOTE: Group annuities valued at \$900 annual payment per certificate if deferred; valued at actual annual payment if vested.

Accident and Sickness Assurance

During 1963, Empire Life entered the health insurance field. It writes individual total disability income benefits, and group income continuance and weekly indemnity benefits. The following table shows the growth of Empire Life's Accident and Sickness Assurance business by amount of gross annual premium.

Year	Ordinary	Group
1968.....	\$ 88,021	\$402,383
1967.....	72,848	178,549
1966.....	52,361	49,340
1965.....	36,345	17,148
1964.....	10,061	4,079
1963.....	3,704	1,024

NOTES:

1. During 1963 and 1964 Ordinary Accident and Sickness Assurance was sold on a non-participating basis. Since 1965, it has been sold on a participating basis. All group Accident and Sickness Assurance has been sold on a non-participating basis.
2. The above does not include supplementary benefits on life assurance policies.

Reinsurance

Empire Life, as do many life insurance companies, reinsures risks which it considers disproportionate. Empire Life has negotiated reinsurance arrangements with a number of Canadian insurance companies and in 1968 approximately 12½% of the amount of new ordinary business effected was reinsured.

Empire Life's retention limit is \$100,000 for ages up to 55 years and for ages over 55 years and for substandard cases the retention limits are lower.

Reinsurance is not a significantly important part of Empire Life's operations and it both cedes and assumes insurance with other companies. At December 31, 1968 Empire Life had reinsurance assumed of \$35,326,855 and reinsurance ceded at \$54,033,463 compared with its total gross insurance in force of \$884,190,000.

Reserves

Empire Life has set up and carries as liabilities actuarial reserves to meet its obligations on various policies. These reserves are amounts which with additions of actuarial net premiums to be received together with interest on such reserves compounded annually at certain assumed rates, are calculated to be sufficient

No securities commission or similar authority in Canada has in any way passed upon the merits of the securities offered hereunder and any representation to the contrary is an offence.

This offer is not and under no circumstances is to be construed as an offer to any resident of the United States of America or of any of the territories or possessions thereof.

OFFER

by

E-L FINANCIAL CORPORATION LIMITED

To the holders of shares (other than those resident in the United States of America or in the territories or possessions thereof)

of

THE EMPIRE LIFE INSURANCE COMPANY

The basis of the offer is:

- (i) 4 common shares of E-L Financial Corporation Limited, and
- (ii) a share purchase warrant of E-L Financial Corporation Limited evidencing the right to subscribe for one common share of E-L Financial Corporation Limited at \$12 until December 22, 1978 for each 2 shares of The Empire Life Insurance Company.

The offer appears on pages 2 and 3. An Information Circular accompanies the offer and commences on page 4.

The Directors of The Empire Life Insurance Company recommend acceptance of the offer. Their Directors' Circular commences on page 11.

Shareholders who intend to accept should use the attached transmittal letter.

E-L FINANCIAL CORPORATION LIMITED

To the holders of the shares of The Empire Life Insurance Company
(other than those resident in the United States of America or in the territories or possessions thereof)

E-L Financial Corporation Limited (hereinafter called "E-L Financial") hereby offers to acquire all the outstanding shares of **THE EMPIRE LIFE INSURANCE COMPANY** (hereinafter called "Empire Life"), except shares held by residents of the United States of America or of the territories or possessions thereof, by exchanging therefor **four fully paid common shares together with a warrant to subscribe for one common share of E-L Financial for each two shares of Empire Life.**

This offer is made upon and subject to the following terms and conditions:

1. Acceptance of this offer may be made by depositing on or before December 30, 1968 (or later date as hereinafter set forth) with Canada Permanent Trust Company at its office at 34 King St. West in the City of Toronto, the appropriate certificate or certificates representing shares of Empire Life, **duly endorsed in blank for transfer or accompanied by an irrevocable stock transfer power duly executed in blank, and in either case with signature guaranteed by a Canadian bank or by a member firm of The Toronto Stock Exchange** or in some other manner satisfactory to Canada Permanent Trust Company **together with a duly completed and signed letter of transmittal in the form enclosed.**
2. This offer may be accepted by any shareholder on or before December 30, 1968 provided however that E-L Financial in its discretion may from time to time extend the time for acceptance of this offer without notice to the shareholders of Empire Life who have not deposited their shares. Any shares represented by certificates deposited as hereinbefore provided may be withdrawn by the depositing shareholder on or prior to Thursday, December 5th, 1968 but if not so withdrawn, or if deposited after that date, will be taken up forthwith by E-L Financial in accordance with the terms of this offer.
3. Certificates representing the common shares of E-L Financial to be issued as fully paid in exchange for shares of Empire Life shall be delivered to shareholders of Empire Life, or at the option of E-L Financial shall be forwarded by insured mail to such shareholders at their respective addresses specified in the letter of transmittal. In the event that no such address is so specified, certificates shall be sent to the respective addresses of such shareholders as the same appear in the books of Empire Life kept by its transfer agent and registrar, The Royal Trust Company.
4. The warrants are offered hereunder at the rate of a warrant to subscribe for one common share of E-L Financial for each two shares of Empire Life deposited hereunder. The warrants will give the right to subscribe for such common shares at any time up until December 22, 1978, upon payment of the fixed sum of twelve dollars (\$12) for each share subscribed for. The warrants will contain a provision to the effect that if at any time prior to December 22, 1978 and while any warrants are outstanding E-L Financial shall have entered into any transaction or taken any corporate proceedings (whether by way of consolidation or subdivision of its outstanding common shares or by way of amalgamation, consolidation or merger with or into any other company or otherwise) whereby its outstanding common shares are converted into shares or other securities or property of E-L Financial or of any other company, the holder of each warrant on exercise thereof after the effective date of such conversion shall be entitled to receive and shall accept, in lieu of the common shares of E-L Financial otherwise issuable to such holder upon exercise of such warrant, the shares or other securities or property of E-L Financial or of such other company which such holder would have been entitled to receive on the effective date of such conversion if such holder on the effective date of such conversion had been the registered holder of the common shares of E-L Financial otherwise issuable to such holder upon exercise of such warrant; the whole subject to such adjustments, if any, as the board of directors of E-L Financial by resolution determines to be appropriate in the circumstances of any particular case. The warrants will also contain a provision to the effect that the rights evidenced by the warrants and any of the terms and provisions of the warrants may be altered, modified or changed by resolution of the board of directors of E-L Financial if such resolution is approved by not less than two-thirds of the votes cast on a poll at a meeting of the holders of the warrants called, upon notice given not less than 21 days prior to the date of such meeting, for the purpose of considering the same, and that at any such meeting a quorum shall consist of the

holders of the warrants present in person or by proxy representing not less than 25% of the aggregate number of rights represented by the warrants outstanding. Warrants shall be delivered or mailed in the same manner as the certificates representing the common shares referred to in paragraph 3 above.

5. All such share certificates and warrants which are mailed shall be deemed to have been delivered to any registered holders as soon as the letters in respect of each such registered holder have been received by the Post Office.

6. The common shares and the share purchase warrants of E-L Financial hereby offered in exchange for the shares of Empire Life are not being offered in, or to residents of, the United States of America or the territories or possessions thereof.

E-L Financial will not accept shares of Empire Life tendered to it for exchange under the terms of this offer by any person directly or through an agent, where such person appears to E-L Financial to be or where E-L Financial has reason to believe such person is a resident of the United States of America or any territory or possession thereof.

Dated at Toronto, November 27th, 1968.

E-L FINANCIAL CORPORATION LIMITED

By: H. R. JACKMAN, Q.C.
Chairman

INFORMATION CIRCULAR

ACCOMPANYING THE OFFER DATED NOVEMBER 27, 1968 BY E-L FINANCIAL CORPORATION LIMITED (HEREINAFTER CALLED "E-L FINANCIAL") TO ACQUIRE SHARES OF THE EMPIRE LIFE INSURANCE COMPANY (HEREINAFTER CALLED "EMPIRE LIFE")

Organization of E-L Financial

E-L Financial was incorporated as a public company under the laws of the Province of Ontario by Letters Patent dated November 13, 1968. E-L Financial has sufficient corporate powers to enable it to provide, either directly or through subsidiaries or affiliates, a wide range of insurance and financial services and products including life, health, property and liability insurance, mutual investment funds, equity-linked insurance products and related financial services. The head office of E-L Financial is located at 243-251 King Street East, in Kingston, Ontario.

Reasons for Forming E-L Financial

The purpose in forming E-L Financial and in making the offer is to afford the shareholders of Empire Life an opportunity to participate in a wider range of activities than that in which Empire Life is now permitted to engage. The activities of Empire Life are limited by legislation. Empire Life is thus inhibited in the development of new products and in the ability to provide a complete financial service to its policyholders. Empire Life's inability to sell mutual funds is a case in point.

Although the Canadian insurance industry has experienced a rapid rate of growth in recent years, it has become increasingly apparent that the life insurance industry, due to the restrictions under which it operates, is running the risk of losing some of its share of the savings dollar to other forms of competing financial institutions. E-L Financial will not be subject to these restrictions and will be able to offer a diversified range of financial services. This same problem has been experienced by the United States insurance industry and it has been dealt with in that country by the formation of companies similar to E-L Financial.

For many years now the public demand for equities, notably mutual funds, has been growing rapidly. In October of this year the Minister of Finance announced the introduction of amendments to the Income Tax Act which would have the effect of increasing the income tax burden on the Canadian life insurance industry and on the investment gain accruing to policyholders. While similar legislation in the United States some years ago has not appreciably reduced the rate of growth of the life insurance industry in that country, it is expected that this new legislation will accelerate the public demand for equity investments. E-L Financial plans to play its part in meeting this demand.

Investments by Empire Life are limited to those authorized by the governing legislation; in addition to limitations as to type of investment, Empire Life is prohibited from owning more than 20% of the common shares of any one company. E-L Financial will be free of these restraints which prevent Empire Life from making many advantageous acquisitions and moving into more profitable growth areas.

E-L Financial will not be subject to any restraints as to methods of raising additional capital so that E-L Financial will be able to choose the method best suited to its requirements and the interests of its shareholders.

E-L Financial could assist the insurance agent of the future in seeking the role of family financial consultant, offering equity-linked insurance products and other investment media as well as traditional types of insurance coverage as part of the overall service to customers.

The Basic Policies of E-L Financial

The basic policies of E-L Financial will be consistent with the reasons for its formation. In particular the directors of E-L Financial will be enabled and expect to take advantage of any favourable opportunity to expand in directions which represent logical extensions of the activities of Empire Life, but which present legislation or government policy render impossible or unsuitable as activities of Empire Life itself. Such expansion might include for example the formation or the acquisition, as subsidiaries of E-L Financial, of other companies, in the insurance or other fields, in Canada or elsewhere; such expansion might also be undertaken directly by E-L Financial. While E-L Financial is empowered to make any type of investment it chooses without restriction, it is not the intention of the directors of E-L Financial that it engage in the business of a general investment company.

Capitalization

The authorized capital of E-L Financial consists of 5,000,000 preference shares without par value, issuable in series, and 10,000,000 common shares of the par value of 50 cents each.

The only shares of E-L Financial presently outstanding are (i) 12 common shares issued for \$13 cash each to the incorporators of E-L Financial, and (ii) 3,000 common shares issued to The Debenture & Securities Corporation of Canada; these 3,000 common shares, together with a share purchase warrant evidencing the right to subscribe for 750 common shares of E-L Financial at \$12 per share until December 22, 1978, were issued for an aggregate cash consideration of \$39,000; this subscription by The Debenture & Securities Corporation of Canada, which is the promoter of E-L Financial, was made to provide funds for the incorporation and organizational costs of E-L Financial and for the expenses of this offer.

The capitalization of E-L Financial after the offer will depend on the degree of acceptance by the shareholders of Empire Life. There are 704,528 shares of Empire Life outstanding at the present time. Assuming all the shares of Empire Life were exchanged for shares of E-L Financial, the capitalization of E-L Financial would be as follows:

	<u>Authorized</u>	<u>Outstanding</u>
Preference shares without par value, issuable in series	5,000,000 sh.	Nil
Common shares of the par value of 50 cents each. . . .	10,000,000 sh.	1,412,068 sh.

NOTE: 1. An additional 353,014 common shares are reserved for the exercise of share purchase warrants.

2. The directors of E-L Financial have the right, subject to the issue of supplementary letters patent in each case, to fix the designation, preferences, rights, conditions, restrictions, limitations or prohibitions to be attached to the preference shares of each series.

Management

The Directors of E-L Financial are the same as those of Empire Life.

The following are the directors and officers of E-L Financial:

Directors

- (i) HENRY R. JACKMAN, Q.C.*
35 Rosedale Road, Toronto 5, Ontario
director of Empire Life since May, 1956
Chairman of Empire Life
financial executive
- (ii) HERBERT H. BLAKEMAN, F.S.A., F.C.I.A.*
27 Hill Street, Kingston, Ontario
director of Empire Life since January, 1948
President of Empire Life
insurance company executive
- (iii) N. DONALD McDONALD, M.B.E., F.L.M.I.*
128 Churchill Crescent, Kingston, Ontario
director of Empire Life since December, 1960
Executive Vice-President of Empire Life
insurance company executive
- (iv) ARTHUR PEDOE, F.I.A., F.S.A., F.C.I.A.*
70 Inglewood Drive, Toronto 7, Ontario
director of Empire Life since May, 1965
research actuary
- (v) AIR MARSHAL WILFRED A. CURTIS, S.M., C.B., C.B.E., D.S.C., D.Mil.Sc., LL.D., E.D.
619 Avenue Road, Toronto 7, Ontario
director of Empire Life since February, 1953
Chairman, W. A. Curtis & Company Limited, Insurance

- (vi) HONOURABLE LOUIS P. BEAUBIEN
1 Ontario Place, Montreal, Quebec
director of Empire Life since March, 1961
Senator, Parliament of Canada
- (vii) HENRY N. R. JACKMAN*
91 Crescent Road, Toronto 5, Ontario
director of Empire Life since February, 1965
Financial Vice-President of Empire Life
financial executive
- (viii) NEWMAN A. FAIRHEAD
31 Rosedale Road, Apt. 106, Toronto 5, Ontario
director of Empire Life since February, 1935
President, Lake Simcoe Ice & Enterprises Limited
- (ix) DR. WILLIAM H. MACKINTOSH, C.C., C.M.G., Ph.D., LL.D., D.C.L.
235 Alvington Place, Kingston, Ontario
director of Empire Life since May, 1965
former Vice-Chancellor, Queen's University
- (x) THOMAS OAKLEY
Bobcaygeon, Ontario
director of Empire Life since February, 1952
Vice-President, Canadian China & Glass Co. Ltd.
- (xi) CHARLES P. FELL, LL.D.*
52 Park Lane Circle, R.R. # 1, Don Mills, Ontario
director of Empire Life since July, 1932
former President of Empire Life

*denotes a member of the Executive Committee

Officers

- (i) Chairman of the Board—HENRY R. JACKMAN (listed above)
- (ii) President—HERBERT H. BLAKEMAN (listed above)
- (iii) Vice-President—N. DONALD McDONALD (listed above)
- (iv) Vice-President—HENRY N. R. JACKMAN (listed above)
- (v) Secretary—J. ALEX LANGFORD
129 Coldstream Avenue, Toronto 12, Ontario
barrister and solicitor

Auditors

E-L Financial's auditors are Messrs. Thorne, Gunn, Helliwell & Christenson, 101 Richmond Street West, Toronto 1, Ontario (who are also auditors of Empire Life).

Transfer Agent and Registrar

The Transfer Agent and Registrar of the common shares in the capital of E-L Financial is Canada Permanent Trust Company at its principal office in the City of Toronto, Ontario. The Canada Permanent Trust Company has also been appointed to keep at such office the register for the share purchase warrants and to receive subscriptions for common shares on exercise of such warrants.

Trading in Shares of Empire Life

The volume of trading on The Toronto Stock Exchange of the shares of Empire Life and the price range of such shares, monthly, since June 1, 1968, has been as follows:

<u>Month</u>	<u>High</u>	<u>Low</u>	<u>Volume</u>
	<u>\$</u>	<u>\$</u>	
November*	27	19½	49,958
October	25½	19½	21,189
September	26¾	18⅞	58,415
August	20½	16¼	16,974
July	17	16	7,329
June	17½	14⅝	41,370

*To November 25, 1968

Present Holdings of Shares of Empire Life by Directors and Officers of E-L Financial and Certain Others

The directors and officers of E-L Financial hold shares in Empire Life as follows:

<u>Name</u>	<u>Shares of Empire Life Held</u>
W. A. CURTIS, Director	720
C. P. FELL, LL.D., Director	500
N. A. FAIRHEAD, Director	500
HENRY R. JACKMAN, Q.C., Director and Chairman	5,706
ARTHUR PEDOE, Director	500
H. H. BLAKEMAN, Director, President	2,310
N. D. McDONALD, Director, Executive Vice-President	2,250
W. H. MACKINTOSH, Director	1,100
HON. L. P. BEAUBIEN, Director	1,100
HENRY N. R. JACKMAN, Director, Vice-President	5,026
THOMAS OAKLEY, Director	500

The Debenture & Securities Corporation of Canada, which owns 3,000 of the 3,012 outstanding common shares of E-L Financial, owns 36,840 shares of Empire Life.

The Jackman Foundation of which the above-named Henry R. Jackman and Henry N. R. Jackman are among the trustees, owns 4,950 shares of Empire Life.

Three infant children of the above-named Henry N. R. Jackman own in the aggregate 100 shares of Empire Life.

Mrs. N. D. McDonald wife of the above-named N. D. McDonald owns 4,072 shares of Empire Life.

E-L Financial does not own any of the shares of Empire Life at the present time.

Trading during the last six months in Empire Life Shares by the Persons Named Above

	<u>Date</u>	<u>Bought or sold</u>	<u>Number</u>	<u>Price</u>
	<u>1968</u>			<u>\$</u>
The Debenture & Securities Corporation of Canada	Oct. 8	Bought	600	23½
	Oct. 9	Bought	900	22¾
	Oct. 10	Bought	300	22½
	Oct. 11	Bought	100	22
	Oct. 15	Bought	400	22
N. D. McDonald	Sept. 20	Sold	200	21
		Sold	100	22
		Sold	100	23
		Sold	100	24
Mrs. N. D. McDonald	Nov. 11	Bought	200	20

Tax Status of E-L Financial and of Its Shareholders

E-L Financial will be liable to pay income tax as a taxable Canadian corporation. Dividends received by it from the current earnings of Empire Life will be tax-free. Dividends from E-L Financial received by individuals resident in Canada will be entitled to the 20% dividend tax credit.

Toronto Stock Exchange Listing

An application has been made to list the common shares of E-L Financial on The Toronto Stock Exchange. Acceptance of listing will be subject to the filing of required documents and evidence of satisfactory distribution both within 90 days. To meet The Toronto Stock Exchange distribution requirements E-L Financial must have 300 public shareholders each holding 100 common shares or more of E-L Financial.

Costs

The costs of the incorporation and organization of E-L Financial and of making this offer will be borne by E-L Financial and are presently estimated at \$35,000.

Statutory Right of Withdrawal

The offer provides that any shares deposited by a shareholder of Empire Life may be withdrawn by such shareholder on or prior to December 5, 1968.

Approval of Circular

The contents of this Information Circular have been approved and the delivery thereof authorized by the Directors of E-L Financial.

E-L FINANCIAL CORPORATION LIMITED

(Incorporated under the laws of Ontario)

Balance Sheet as at November 22, 1968

ASSETS

Cash.....	31,556
Organization expenses, estimated.....	35,000
	<u>\$66,556</u>

LIABILITIES

Accrued liabilities.....	\$27,400
--------------------------	----------

SHAREHOLDERS' EQUITY

Capital stock		
Authorized		
5,000,000 Preference shares without par value, issuable in series		
10,000,000 Common shares par value 50¢ each		
Issued		
3,012 Common shares (note 1).....	\$ 1,506	
Contributed surplus arising from the issue of shares at a premium.....	<u>37,650</u>	<u>39,156</u>
		<u>\$66,556</u>

NOTES:

1. The Company was incorporated November 13, 1968 and to date 12 common shares have been issued as directors' qualifying shares at \$13 each; and 3,000 common shares, together with a share purchase warrant evidencing the right to subscribe for 750 common shares of the Company at \$12 per share until December 22, 1978, have been issued for \$39,000.
2. The Company proposes to make an offer to acquire shares of The Empire Life Insurance Company (other than those held by residents of the United States of America or the territories or possessions thereof) on the basis of 4 common shares of the Company and a share purchase warrant of the Company evidencing the right to subscribe for 1 common share of the Company at \$12 per share until December 22, 1978, for each 2 shares of The Empire Life Insurance Company. There are 704,528 shares of The Empire Life Insurance Company now outstanding.

Approved

H. R. JACKMAN, Director

H. N. R. JACKMAN, Director

Auditors' Report

To the Directors of

E-L FINANCIAL CORPORATION LIMITED

We have examined the balance sheet of E-L Financial Corporation Limited as at November 22, 1968. Our examination for the period from incorporation on November 13, 1968 included a general review of the accounting procedures and such tests of accounting records and other supporting evidence as we considered necessary in the circumstances.

In our opinion the accompanying balance sheet presents fairly the financial position of the company as at November 22, 1968, in accordance with generally accepted accounting principles.

Toronto, Ontario
November 25, 1968

THORNE, GUNN, HELLIWELL & CHRISTENSON
Chartered Accountants

Consent of Auditors

TO E-L FINANCIAL CORPORATION LIMITED

We hereby consent to the use of our report dated November 25, 1968 on the balance sheet of E-L Financial Corporation Limited as at November 22, 1968, appearing in the Circular accompanying the Offer by E-L Financial Corporation Limited to the shareholders of The Empire Life Insurance Company.

Toronto, Ontario
November 25, 1968

THORNE, GUNN, HELLIWELL & CHRISTENSON
Chartered Accountants



Head Office Kingston, Ontario Siège Social

November 27, 1968

TO THE SHAREHOLDERS:

The enclosed Directors' Circular is furnished in connection with the offer of E-L Financial Corporation Limited dated November 27, 1968 to acquire shares in the capital of The Empire Life Insurance Company in exchange for common shares and share purchase warrants of E-L Financial Corporation Limited.

I have been authorized to advise you that the directors recommend acceptance of this offer and that each of your directors has, with respect to his own shares, agreed to accept the offer to the extent stated in the Directors' Circular.

Yours very truly,

WENDELL KAITTING

Vice-President and Secretary

THE EMPIRE LIFE INSURANCE COMPANY

DIRECTORS' CIRCULAR

This Directors' Circular is furnished in connection with the Offer of E-L Financial Corporation Limited (hereinafter called "E-L Financial") dated November 27, 1968, for shares of The Empire Life Insurance Company (hereinafter called "Empire Life")

1. Set forth below are the number of shares of Empire Life beneficially owned, directly or indirectly, by each director and senior officer of Empire Life and certain others. The directors and senior officers of Empire Life intend to accept the offer (except in respect of their directors' qualifying shares of Empire Life) as indicated in the following table.

	Number of Shares Currently Owned	Directors' Qualifying Shares	Number of Shares Accepting the Offer
W. A. CURTIS, S.M., C.B., C.B.E., D.S.C., D.Mil.Sc., LL.D., E.D.	720	500	220
C. P. FELL, LL.D.....	500	500	—
N. A. FAIRHEAD.....	500	500	—
HENRY R. JACKMAN, Q.C.....	5,706	500	5,206
ARTHUR PEDOE, F.I.A., F.S.A., F.C.I.A.....	500	500	—
H. H. BLAKEMAN, F.S.A., F.C.I.A.....	2,310	500	1,810
N. D. McDONALD, M.B.E., F.L.M.I.....	2,250	500	1,750
W. H. MACKINTOSH, C.C., C.M.G., Ph.D., LL.D., D.C.L.....	1,100	500	600
HON. L. P. BEAUBIEN.....	1,100	500	600
HENRY N. R. JACKMAN.....	5,206	500	4,706
THOMAS OAKLEY.....	500	500	—
RAY MERRIAM*.....	256	—	256

*denotes senior officer who is not a director.

Dominion & Anglo Investment Corporation Limited is the largest shareholder of Empire Life with 235,118 shares, being 33.4% of the outstanding shares. This Company intends to accept the offer as to all of its shares.

The Debenture & Securities Corporation of Canada which is associated with H. N. R. Jackman owns 36,840 shares of Empire Life. This Company intends to accept the offer as to all of its shares.

Canadian & Foreign Securities Limited which is associated with both Dominion & Anglo Investment Corporation and with The Debenture & Securities Corporation of Canada owns 33,000 shares of Empire Life. This Company intends to accept the offer as to all of its shares.

The Jackman Foundation of which H. R. Jackman and H. N. R. Jackman are among the trustees, owns 4,950 shares of Empire Life. The Foundation intends to accept the offer as to all of its shares.

Mrs. N. D. McDonald, the wife of N. D. McDonald who is Executive Vice-President and a Director of Empire Life, owns 4,072 shares of Empire Life and intends to accept the offer as to all her shares.

Mrs. Wendell Kaitting, the wife of Wendell Kaitting who is a Vice-President and Secretary of Empire Life, owns 200 shares of Empire Life and intends to accept the offer as to all her shares.

The three infant children of H. N. R. Jackman, who is a Vice-President and a Director of Empire Life, have registered in their names a total of 100 shares of Empire Life. These shares will be deposited in acceptance of the offer.

2. The Debenture & Securities Corporation of Canada owns 3,000 common shares and a share purchase warrant for 750 common shares of E-L Financial. W. A. Curtis, C. P. Fell, N. A. Fairhead, Henry R. Jackman, Arthur Pedoe, H. H. Blakeman, N. D. McDonald, W. H. Mackintosh, Hon. L. P. Beaubien and Thomas Oakley, being directors of E-L Financial each own one qualifying share of E-L Financial. Henry N. R. Jackman, also a director of E-L Financial, owns two shares of E-L Financial.

3. No arrangement or agreement has been made by E-L Financial with the directors and senior officers of Empire Life except that Messrs. W. A. Curtis, C. P. Fell, N. A. Fairhead, Henry R. Jackman, Arthur Pedoe, H. H. Blakeman, N. D. McDonald, W. H. Mackintosh, Hon. L. P. Beaubien, Henry N. R. Jackman and Thomas Oakley who are directors of Empire Life have agreed to become directors of E-L Financial. In addition, Henry R. Jackman, Chairman of Empire Life has agreed to become Chairman of E-L Financial, H. H. Blakeman, President of Empire Life has agreed to become President of E-L Financial, Messrs. N. D. McDonald and Henry N. R. Jackman, Vice-Presidents of Empire Life have agreed to become Vice-Presidents of E-L Financial.

The contents of this Directors' Circular have been approved and the delivery thereof authorized by the Directors of Empire Life.

to meet the Company's policy obligations at maturities if deaths occur in accordance with the mortality table upon which the policies are based.

The policy reserves of Empire Life are greater than minimum legal requirements. For policies of life insurance the reserves are based upon the table "Mortality for Assured Lives 1924/1929 Ultimate" using an interest rate of 3%, Canadian Modification of preliminary term method; for policies providing annuity benefits the reserves are based upon the "Standard Annuity Table" using an interest rate of 4%. These bases of valuation provide reserves which are in excess of the requirements of The Insurance Act of Ontario.

Equity-Linked Insurance and Variable Annuity Plans

Empire Life is constantly striving to adapt its policies to best serve the expressed needs and desires of the public as evidenced by its newest venture into the field of equity-linked insurance and annuity plans. The Company maintains a Segregated Fund for these plans, the assets of which are primarily invested in common shares of Canadian corporations.

When an equity-linked plan is purchased, a portion of the deposit or premium is deducted for administrative and sales creation costs, and, where applicable for completion insurance and other plan benefits. The net amount after these deductions is converted into equity units, and in effect, the investor is credited with a unit interest based upon the value of the Segregated Fund at that time. As additional payments are made into the plan, the investor accumulates a holding of units, the value of which fluctuates with the total value of the Segregated Fund.

In the long run, there has been a general tendency for the cost of living index to move in the same direction as the stock market, with the latter outperforming the former in more recent years. Thus, these equity-linked plans may provide the investor with a long-term hedge against inflation, enabling the investor to share in the growth of a carefully selected and supervised portfolio of common stocks.

Empire Life introduced the first of these equity-linked plans in 1967. Equity investment in the Company's Segregated Fund was linked with term insurance. During September 1968, the concept of a Balanced Approach to Financial Security was developed and two additional equity-linked plans were introduced which are linked with annuities and provide for periodic deposits. All these equity-linked plans are based upon the premise that adequate protection and guaranteed savings should precede any investment in equities, but that there is a place for equities in an individual's insurance and savings programme.

The result of these two additions to the sales material has been very favourable. The sales of all three plans have increased in the latter part of 1968, and are currently accounting for 20% of overall company sales.

The introduction of these equity-linked plans has also been responsible for an accelerated increase in the sale of the Company's conventional products, especially life insurance with guaranteed values. The total number of new contracts issued during the last quarter of 1968 increased over the same period of 1967 by 25%.

The growth of Empire Life's equity-linked plans since the introduction of the "Balanced Approach to Financial Security" in September, 1968 is illustrated in the following table:

	Face Amount of Plans in Force	Total Annualized Premium	Total Value of Segregated Fund	Value per Unit
December 31/68.....	\$10,884,000	\$363,000	\$931,911	\$18.07
November 30/68.....	9,716,000	328,000	838,608	17.57
October 31/68.....	8,620,000	290,000	710,081	16.66
September 30/68.....	7,506,000	250,000	649,224	16.43
August 31/68.....	6,580,000	219,000	581,475	15.63
December 31/67.....	3,665,000	122,000	357,706	14.06

The unit value of Empire Life's Segregated Fund has risen from \$14.06 to \$18.07 for the year ended December 31, 1968. This is an appreciation of 28.5% during the year 1968 which compares favourably with the performance of many large mutual funds. During the same period The Toronto Stock Exchange Industrial Average rose 16.4% and the Dow-Jones Industrial Average rose 4.3%.

Investments

Empire Life's investments as at December 31, 1968 are indicated by the following table:

	Book (Amortized) Value \$	Percentage of Total %
CASH.....	120,487	.1
BONDS AND DEBENTURES		
Government of Canada (including Canada guaranteed).....	396,740	
Provincial bonds (including Provincial guaranteed).....	7,566,669	
Municipal bonds.....	2,337,772	
Other governments.....	764,532	
Public utilities.....	3,962,306	
Corporate bonds.....	<u>4,358,230</u>	
	19,386,249	23.8
STOCKS		
Preferred.....	610,495	
Common.....	<u>8,007,429</u>	
	8,617,924	10.6
MORTGAGES		
Conventional.....	39,055,684	
National Housing Act.....	<u>8,398,883</u>	
	47,454,567	58.1
POLICY LOANS.....	5,303,849	6.5
REAL ESTATE.....	<u>726,009</u>	.9
SUBTOTAL.....	<u>81,609,085</u>	<u>100.0</u>
SEGREGATED FUND		
Primarily invested in Canadian common stocks valued at market.....	<u>931,911</u>	
TOTAL ADMITTED ASSETS.....	<u><u>82,540,996</u></u>	

The basis of valuation of securities is in accordance with the requirements of the Ontario Department of Insurance and is as follows: all bonds and debentures amply secured and not in default as to principal or interest are valued on an amortized basis. Stocks under normal circumstances are valued at the lower of cost or market.

In recent years Empire Life has adopted an aggressive policy toward the purchase of common and preferred stocks which now account for 10.6% of admitted assets, a figure which is much higher than the industry average. The market value of the Company's stock portfolio, apart from holdings in the Segregated Fund, is \$12,275,855 compared with a book value of \$8,617,924.

Return on Investments

Empire Life continually strives to improve the yield on its investment portfolio. As shown by the following table, the average net yield on investments has increased steadily over the years, reaching 6.21% for 1968.

1968.....	6.21%	1964.....	5.87%	1960.....	5.25%
1967.....	6.12%	1963.....	5.68%	1959.....	5.04%
1966.....	6.06%	1962.....	5.71%	1958.....	4.81%
1965.....	5.89%	1961.....	5.44%	1957.....	4.61%

Empire Life Profits and Dividends

Empire Life has paid dividends on its capital stock each year since 1943. The pre-tax reported shareholders' profits of Empire Life and the dividends paid during the past five years were as follows:

	Pre-tax Reported Shareholders Profits	Cash Dividends	Stock Dividends
1968.....	\$720,650	\$42,272	Nil
1967.....	641,382	42,272	Nil
1966.....	407,762	38,429	\$ 64,048
1965.....	418,009	32,024	320,240
1964.....	388,078	32,024	Nil

Prior to 1969, the taxable income of a life insurance company was limited to amounts credited to shareholders' accounts or otherwise appropriated for or on account of shareholders. As a result, the directors of Empire Life adopted a policy of paying low dividends in relation to earnings. In the light of the proposed changes in the Income Tax Act effecting the taxation of life insurance companies earnings (referred to under the heading "Taxation" below) it is the intention of E-L Financial that this policy be reviewed.

Taxation

In October, 1968, the Minister of Finance introduced budget resolutions which provide, subject to passage of implementing legislation that Canadian life insurance companies will be subject to two forms of tax, a 15% tax on their investment income and the corporation income tax applied against the company's earnings.

15% tax on investment income

Budget resolution 7 provides for a tax of 15% on investment income which, for convenience, is payable by the companies on a bulk basis. The measure is designed to tax on a current basis the investment income which inures to the benefit of policyholders. It is expected that the burden of this tax will be primarily borne by the policyholders, by way of higher premiums or lower policy dividends.

Corporate Income Tax

Under resolution 8, provision is made for the application of the regular corporation income tax to the entire earnings of life companies. The tax will be applied, subject to special regulations covering permissible deductions for policy reserves and other items. Although the regulations have not yet been developed to the point of determining the amounts of these deductions, it would appear likely that Empire Life, because of its relatively high level of new business acquisition expense and of consequent reserve increases and because of the considerable portion of the Company's reported profit which consists of tax-free dividends, would have been subject to little, if any, income tax in respect of the years 1967 and 1968 on the basis of applying the new tax formula to those years.

OTHER INFORMATION

Remuneration of Directors and Senior Officers

None of the directors or senior officers of E-L Financial receive remuneration for their services in their capacity as directors or officers of E-L Financial. However, all such persons (with the exception of J. A. Langford) are also officers and directors of Empire Life, a subsidiary of E-L Financial. The aggregate direct remuneration paid by Empire Life to the directors and senior officers of Empire Life during the twelve month period ended December 31st, 1968 was \$153,522. The estimated aggregate cost to Empire Life during the twelve months ended December 31st, 1968 of all pension benefits to be paid to directors and senior officers of Empire Life under the normal pension plan in the event of retirement at normal age was \$6,831.

Principal Shareholder of E-L Financial

The only person or company owning of record or known by E-L Financial to own beneficially, more than 10% of the common shares of E-L Financial is Dominion and Anglo Investment Corporation Limited, Suite 2204, 44 King Street West, Toronto. This company owns 470,236 common shares of E-L Financial being 39.7% of the total number of common shares of E-L Financial outstanding. This company owns 51,106 shares of DOMINION and intends to accept the offer as to all of these shares which will substantially increase its shareholding in E-L Financial. H. R. Jackman and H. N. R. Jackman are directors and officers of Dominion and Anglo Investment Corporation Limited and, directly or indirectly, have a substantial interest in that company.

Shares of E-L Financial held by its Directors and Officers

The percentage of common shares of E-L Financial beneficially owned directly or indirectly by all directors and officers of E-L Financial as a group is 49,140, being 4.1% of the total number of common shares outstanding. The directors and officers of E-L Financial hold in the aggregate 400 shares of DOMINION and intend to accept the offer as to all of these shares, except directors' qualifying shares.

Present Holdings of Shares of Dominion by Directors and Officers of E-L Financial and Certain Others

The following directors and officers of E-L Financial hold shares in DOMINION as follows:

<u>Name</u>	<u>Shares of DOMINION held</u>
H. R. JACKMAN, Director and President.....	200
H. N. R. JACKMAN, Director.....	100
A. PEDOE, Director.....	100

E-L Financial does not own any shares of DOMINION at the present time.

Dominion and Anglo Investment Corporation Limited owns 51,106 shares of DOMINION, being 25.1% of the outstanding shares of DOMINION.

Trading during the last six months in DOMINION Shares by the Persons Named Above

	<u>Date</u> 1968	<u>Bought or Sold</u>	<u>Number</u>	<u>Price</u>
Dominion and Anglo Investment Corporation Limited... }	August 7	bought	2,400	80
	August 15	bought	125	80.125
	September 25	bought	100	80
	October 8	bought	200	81
	October 16	bought	100	82
	October 16	bought	200	82
	October 28	bought	300	83
	November 5	bought	100	84
	December 2	bought	200	84
	December 13	bought	190	85
	December 23	bought	3	85

Trading in Shares of DOMINION

The volume of trading on The Toronto Stock Exchange of the shares of DOMINION and the price range of such shares, monthly since July 1, 1968, has been as follows:

<u>Month</u>	<u>High</u>	<u>Low</u>	<u>Volume</u>
	\$	\$	
January*.....	130	99 $\frac{7}{8}$	275
December.....	90	84	748
November.....	85	84	230
October.....	85	81	1,630
September.....	80	80	350
August.....	85	80	9,310
July.....	81	79	10

*To January 22, 1969. The terms of the offer were announced on January 21 after which announcement 150 shares were traded at prices in excess of \$100.

Trading in Shares and Share Purchase Warrants of E-L Financial Corporation Limited

The common shares and share purchase warrants of E-L Financial were posted for trading on The Toronto Stock Exchange on January 7, 1969. The price range and volume to January 22 has been as follows:

<u>Common Shares</u>			<u>Share Purchase Warrants</u>		
<u>High</u>	<u>Low</u>	<u>Volume</u>	<u>High</u>	<u>Low</u>	<u>Volume</u>
\$	\$		\$	\$	
13	10	49,872	7.30	3.25	48,921

Trading in Shares of Empire Life

The volume of trading on The Toronto Stock Exchange of the shares of Empire Life and the price range of such shares, monthly since July 1, 1968, has been as follows:

<u>Month</u>	<u>High</u>	<u>Low</u>	<u>Volume</u>
	\$	\$	
January*.....	28 $\frac{3}{4}$	22 $\frac{7}{8}$	6,914
December.....	24	21	18,503
November.....	27	19 $\frac{1}{2}$	49,958
October.....	25 $\frac{1}{2}$	19 $\frac{1}{2}$	21,189
September.....	26 $\frac{3}{4}$	18 $\frac{7}{8}$	58,415
August.....	20 $\frac{1}{2}$	16 $\frac{1}{4}$	16,974
July.....	17	16	7,329

*To January 22, 1969.

Under an offer dated November 27, 1968 E-L Financial offered 4 common shares of E-L Financial plus one share purchase warrant for every two shares of Empire Life. This offer has been accepted by shareholders owning 590,269 shares or 83.78% of the outstanding shares of Empire Life.

Taxation of E-L Financial and its shareholders

E-L Financial will be liable to pay income tax as a taxable Canadian corporation. Dividends received by it from the current earnings of Empire Life and DOMINION will be tax-free. Dividends from E-L Financial received by individuals resident in Canada will be entitled to the 20% dividend tax credit.

Arrangements

It is proposed to enlarge the Board of Directors of E-L Financial and to elect or appoint as directors of E-L Financial the directors of DOMINION who are not already directors of E-L Financial and it is also proposed that Henry S. Gooderham, Chairman of the Board of DOMINION, will become Chairman of the Board of E-L Financial. It is also intended that DOMINION will retain the same management and directors as at present.

Head Office

The head office of E-L Financial is located at 243-251 King Street East, in Kingston, Ontario.

Auditors

E-L Financial's auditors are Messrs. Thorne, Gunn, Helliwell & Christenson, 101 Richmond Street West, Toronto 1, Ontario (who are also auditors of Empire Life).

Transfer Agent and Registrar

The Transfer Agent and Registrar of the Series A Convertible Preference shares and common shares in the capital of E-L Financial is Canada Permanent Trust Company at its principal office in the City of Toronto, Ontario. Canada Permanent Trust Company has also been appointed to keep at such office the register for the share purchase warrants and to receive subscriptions for common shares on exercise of such warrants.

Costs

Expenses in connection with this offer will be borne by E-L Financial and are presently estimated at \$40,000.

Statutory Right of Withdrawal

The offer provides that any shares deposited by a shareholder of DOMINION may be withdrawn by or on behalf of such shareholder on or prior to February 3, 1969.

Approval of Circular

The contents of this Information Circular have been approved and the delivery thereof authorized by the Directors of E-L Financial.

E-L FINANCIAL CORPORATION LIMITED

(Incorporated under the laws of Ontario)

AND SUBSIDIARY COMPANY

Consolidated Balance Sheet**December 31, 1968****ASSETS**

Cash.....	\$ 138,215
Bonds and debentures.....	19,386,249
First mortgages on real estate.....	47,454,567
Preferred and common stocks.....	8,617,924
Real estate (less amounts written off for depreciation)	
Held for production of income.....	169,771
Head office and branch premises.....	556,238
Loans on policies.....	5,303,849
Outstanding premiums.....	643,311
Interest due and accrued.....	746,134
Segregated investment fund.....	931,911
All other assets.....	52,961
	<hr/>
	<hr/>
	\$84,001,130

LIABILITIES

Policy reserves.....	\$67,559,644
Provision for unpaid and unreported claims.....	1,111,276
Amounts left with the company at interest.....	2,804,203
Staff pension fund (Note 3).....	1,733,862
Premium and other taxes payable.....	78,283
Accounts payable, agents' credit balances and other amounts due and accrued.....	188,953
Amounts received, not yet allocated.....	279,160
Segregated investment fund (Note 3).....	931,911
Provision for profits to policyholders.....	2,502,510
Participating policyholders' equity in unallotted surplus and general reserve for investment and contingencies.....	870,455
	<hr/>
	<hr/>
	78,060,257
Minority interest in capital stock, general reserve and surplus of a subsidiary.....	1,691,904
	<hr/>
Shareholders' Equity:	
General reserve for investment and contingencies (Note 6).....	350,987
Surplus allotted and unallotted (Notes 4 and 6).....	3,356,271
Contributed surplus arising from the issue of shares at a premium.....	37,650
Capital stock, fully paid (Note 7).....	504,061
	<hr/>
	<hr/>
	4,248,969
	<hr/>
	<hr/>
	\$84,001,130

Approved:

H. R. JACKMAN, Director

H. H. BLAKEMAN, Director

E-L FINANCIAL CORPORATION LIMITED
AND SUBSIDIARY COMPANY

Consolidated Statement of Revenue and Expenditure
For the five years ended December 31, 1968

	<u>1968</u>	<u>1967</u>	<u>1966</u>	<u>1965</u>	<u>1964</u>
REVENUE:					
Premium Income—Non-participating Policies.....	\$ 8,231,340	\$ 6,647,137	\$ 6,149,747	\$ 5,641,883	\$ 5,104,675
—Participating Policies.....	5,481,488	5,184,023	4,903,461	4,733,942	4,537,072
Consideration for settlement annuities.....	80,911	93,505	83,577	62,624	41,428
Investment Income less investment expenses.....	4,728,363	4,261,822	3,906,882	3,485,430	3,176,839
Staff Pension Fund contributions and grants.....	84,814	74,212	69,643	94,067	113,999
Miscellaneous Income.....	7,644	104,400	21,792	2,533	2,039
	<u>18,614,560</u>	<u>16,365,099</u>	<u>15,135,102</u>	<u>14,020,479</u>	<u>12,976,052</u>
EXPENDITURE:					
Benefits to policyholders and beneficiaries.....	5,778,929	5,681,156	5,278,428	4,403,084	4,044,865
Increase in actuarial reserves.....	6,292,780	4,447,020	4,339,124	4,286,467	3,911,229
Increase in Staff Pension Fund.....	126,467	108,868	92,298	105,198	123,821
Payments from Staff Pension Fund.....	76,230	63,725	60,079	66,062	56,925
Operating expenses, commissions, directors' fees and taxes excluding corporation and investment taxes.....	4,941,726	4,489,161	4,026,997	3,994,042	3,747,912
	<u>17,216,132</u>	<u>14,789,930</u>	<u>13,796,926</u>	<u>12,854,853</u>	<u>11,884,752</u>
Net Revenue, before the undernoted items (Note 5).....	1,398,428	1,575,169	1,338,176	1,165,626	1,091,300
Add—Profit on the sale of securities.....	437,650	170,121	131,499	9,586	49,225
	<u>1,836,078</u>	<u>1,745,290</u>	<u>1,469,675</u>	<u>1,175,212</u>	<u>1,140,525</u>
Less—Dividends to policyowners and increase in provision for future dividends.....	997,894	956,387	762,382	665,085	619,623
Balance of Revenue.....	838,184	788,903	707,293	510,127	520,902
Less—Participating policyholders' portion.....	117,534	147,521	299,531	92,118	132,824
	<u>720,650</u>	<u>641,382</u>	<u>407,762</u>	<u>418,009</u>	<u>388,078</u>
Less—Minority shareholders' interest.....	206,596	183,871	116,897	119,835	111,254
Balance of Revenue, carried to Consolidated Statement of Shareholders' Equity in Surplus Accounts (Note 6)...	<u>\$ 514,054</u>	<u>\$ 457,511</u>	<u>\$ 290,865</u>	<u>\$ 298,174</u>	<u>\$ 276,824</u>
Balance of Revenue, per share on 1,008,122 shares outstanding.....	<u>51.0¢</u>	<u>45.4¢</u>	<u>28.9¢</u>	<u>29.6¢</u>	<u>27.5¢</u>

Consolidated Statement of Shareholders' Equity in Surplus Accounts
(excluding the minority shareholders' interest)

	<u>1968</u>	<u>1967</u>	<u>1966</u>	<u>1965</u>	<u>1964</u>
Shareholders' equity in surplus (allotted and unallotted) at the beginning of the year.....	\$ 3,114,242	\$ 2,815,375	\$ 2,674,045	\$ 2,440,852	\$ 2,279,493
Add—Balance of revenue, excluding minority shareholders' interest.....	514,054	457,511	290,865	298,174	276,824
	<u>3,628,296</u>	<u>3,272,886</u>	<u>2,964,910</u>	<u>2,739,026</u>	<u>2,556,317</u>
Deduct—Amount written off securities held.....	—	98,852	43,060	3,062	15,332
—Discretionary transfer to policy reserves.....	213,996	—	—	—	—
—Transfer to segregated fund.....	—	—	—	—	71,332
—Transfer to capital stock fully paid.....	—	—	45,687	5,232	—
—Taxes on surplus allotted to shareholders (Note 6) ..	27,875	29,638	33,376	33,844	5,958
—Dividends.....	30,154	30,154	27,412	22,843	22,843
	<u>272,025</u>	<u>158,644</u>	<u>149,535</u>	<u>64,981</u>	<u>115,465</u>
Shareholders' equity in surplus at the end of the year.....	<u>\$ 3,356,271</u>	<u>\$ 3,114,242</u>	<u>\$ 2,815,375</u>	<u>\$ 2,674,045</u>	<u>\$ 2,440,852</u>

E-L FINANCIAL CORPORATION LIMITED

AND SUBSIDIARY COMPANY

Notes to Financial Statements

1. Basis of Financial Statement Presentation

The accompanying financial statements consolidate the accounts of E-L Financial Corporation and its subsidiary The Empire Life Insurance Company (Empire Life) under the pooling of interest concept as if E-L Financial Corporation had existed throughout the period. Surpluses, reserves and balance of revenue throughout the periods have been computed after giving effect to the 28.668% minority interest in the shares of Empire Life outstanding at December 31, 1968. They are prepared essentially in accordance with accounting practices prescribed, authorized or permitted by the Superintendent of Insurance of the Province of Ontario for life insurance company annual statements, except for modifications principally as to classification and format for the purpose of clarifying the interest of the holding company. These practices and accordingly the financial statements are in conformity with generally accepted accounting principles for life insurance companies. However, in certain respects as indicated below in (a) to (c) they are not in conformity with generally accepted accounting principles applicable to companies engaged in other industries.

- (a) *Acquisition Costs*—Commissions and other acquisition costs relating to the issue of new policies are charged to operations in the year incurred. Some allowance is made for amortizing part of these costs by use of the Canadian Modified method of computing actuarial policy reserves but this does not give full effect to the amortization of these costs over the term of the policies. The result is to penalize gain from operations in a period of business growth and to improve gain from operations in a period of decline.
- (b) *Actuarial Policy Reserves*—These reserves are computed on the basis of mortality and interest factors permissible by law and are in excess of those that could be computed on the basis of the Company's past experience.
- (c) *Agents' Balances*—Agents' debit balances (and certain relatively minor other assets) are also excluded from the balance sheet.

2. Valuation of Invested Assets

The basis of valuation of invested assets other than the segregated investment fund is cost or amortized value, less amounts written off from time to time, and the resulting book values are not in excess of the values authorized by the Association of Superintendents of Insurance of the Provinces of Canada. The segregated investment fund is shown at quoted market value.

3. Staff Pension Fund

Effective from July 1st, 1965, Empire Life's grant portion of the Staff Pension Fund is being invested in the Segregated Investment Fund.

4. Shareholders' Equity in Surplus

Under Empire Life's charter shareholders are entitled to all the profits from the non-participating policies and that portion of the profit on the participating policies equal to one-ninth of the amount paid to policyholders as dividends. For the years 1967 and 1968 an amount equal to one-ninth of the amount paid and provided for policy dividends on participating policies has been transferred from the surplus attributable to participating policies to shareholders' surplus. These amounts plus the shareholders' interest in investment income together with all the profit on Empire Life's non-participating policies make up the amount transferred to surplus each year.

5. Comparability of Revenues and Expenditures

During 1968 Empire Life underwrote single premium annuities carrying total premiums of \$1,700,000. The Ontario Insurance Act requires that reserves be set against this type of policy in excess of the single premiums received. Although this business is expected to prove profitable to Empire Life in the years ahead, the immediate effect of underwriting this business is to reduce the profits for the year in which the premiums are received. The surplus strain from this negative effect on earnings in 1968 was in excess of \$300,000 more than had been experienced in 1967. A similar impact on earnings was experienced in 1967 and earlier years but to a significantly lesser degree.

6. Income Taxes

Income taxes have not been paid on revenue of Empire Life transferred to general reserve and on unallotted surplus nor on the relative minority interest therein. If and when any portion of unallotted surplus is specifically allocated to shareholders, income taxes become payable thereon at normal corporation rates. At December 31, 1968 tax had been paid or accrued in respect of surplus amounting to \$66,847, and on minority interest amounting to \$26,866. It is expected that the remainder of surplus and the general reserve, and minority interest will not be subject to income tax as long as the company adheres to its long standing practice of allocating amounts not in excess of current earnings to shareholders' surplus account.

7. Capital Stock

The company was incorporated on November 13, 1968. The authorized capital stock consists of 5,000,000 Preference shares, without par value, issuable in series and 10,000,000 common shares of a par value of 50¢ each. This statement reflects the issue of 12 common shares as directors' qualifying shares and of 3,000 common shares at \$13 each and 1,005,110 common shares in exchange for 502,555 common shares of Empire Life. The 1,008,110 shares issued other than as directors' qualifying shares are issued together with warrants to purchase 252,027½ common shares of the company at \$12 per share until December 22, 1978.

The company has offered to acquire the shares of Empire Life (other than those held by residents of the United States of America or the territories or possessions thereof) on the basis of 4 common shares of the company and a share purchase warrant of the company evidencing the right to subscribe to 1 common share of the company at \$12 per share until December 22, 1978, for each 2 shares of Empire Life. There are 704,528 shares of Empire Life outstanding, of which the company held 71.332% at December 31, 1968 and 83.78% at January 21, 1969. Consequently, the minority interest has substantially declined between December 31, 1968 and January 21, 1969.

8. Offer to Shareholders of The Dominion of Canada General Insurance Company

The company proposes to make an offer to acquire shares of The Dominion of Canada General Insurance Company (other than those held by residents of the United States of America or the territories or possessions thereof) on the basis of 3 Series A Convertible Preference shares and 7 common shares of the company and a share purchase warrant of the company evidencing the right to subscribe for one common share of the company at \$12 per share until December 22, 1978, for each share of The Dominion of Canada General Insurance Company.

The Convertible Preference shares will each carry an annual non-cumulative 50¢ dividend and the right to be converted at any time into 1 common share. There are 202,060 shares of The Dominion of Canada General Insurance Company now outstanding.

Auditors' Report

To the Directors of

E-L FINANCIAL CORPORATION LIMITED

We have examined the consolidated balance sheet of E-L Financial Corporation Limited and subsidiary company as at December 31, 1968 and the consolidated statements of revenue and expenditure and shareholders' equity in surplus accounts for the five years ended December 31, 1968. Our examination included a general review of the accounting procedures and such tests of accounting records and other supporting evidence as we considered necessary in the circumstances.

Accepting the certificate of the actuary of the subsidiary, The Empire Life Insurance Company, for the actuarial liability under insurance and annuity contracts and certain other liabilities to policyholders, we report that in our opinion these financial statements present fairly the financial position of the companies as at December 31, 1968 and the results of their operations for the five years then ended.

Toronto, Ontario
January 23, 1969

THORNE, GUNN, HELLIWELL & CHRISTENSON
Chartered Accountants

Consent of Auditors

TO E-L FINANCIAL CORPORATION LIMITED

We hereby consent to the use of our report dated January 23, 1969 on the consolidated balance sheet of E-L Financial Corporation Limited as at December 31, 1968 and the consolidated statements of revenue and expenditure and shareholders' equity in surplus accounts for the five years then ended, appearing in the Circular accompanying the offer by E-L Financial Corporation Limited to the shareholders of The Dominion of Canada General Insurance Company.

Toronto, Ontario
January 23, 1969

THORNE, GUNN, HELLIWELL & CHRISTENSON
Chartered Accountants



The Dominion of Canada General Insurance Company

HEAD OFFICE: 165 UNIVERSITY AVENUE, TORONTO 1, CANADA

January 23, 1969

TO THE SHAREHOLDERS:

The enclosed Directors' Circular is furnished in connection with the offer of E-L Financial Corporation Limited dated January 23, 1969 to acquire shares in the capital of The Dominion of Canada General Insurance Company in exchange for Series A Convertible Preference shares, common shares and share purchase warrants of E-L Financial Corporation Limited.

I have been authorized to advise you that the directors recommend acceptance of this offer and that each of your directors has, with respect to his own shares, agreed to accept the offer to the extent stated in the Directors' Circular.

Yours very truly,

HENRY S. GOODERHAM

Chairman

THE DOMINION OF CANADA GENERAL INSURANCE COMPANY

DIRECTORS' CIRCULAR

This Directors' Circular is furnished in connection with the Offer of E-L Financial Corporation Limited (hereinafter called "E-L Financial") dated January 23, 1969, for shares of THE DOMINION OF CANADA GENERAL INSURANCE COMPANY (hereinafter called "DOMINION")

1. Set forth below are the number of shares of DOMINION beneficially owned, directly or indirectly, by each director and senior officer of DOMINION and certain others. The directors and senior officers of DOMINION intend to accept the offer (except in respect of their directors' qualifying shares of DOMINION) as indicated in the following table.

	Number of Shares Currently Owned	Directors' Qualifying Shares	Number of Shares Accepting the Offer
HENRY S. GOODERHAM.....	200	100	100
H. NORMAN HANLY.....	100	100	—
LESTER M. KEACHIE, C.B.E., Q.C.....	400	100	300
PETER S. GOODERHAM.....	2,175	100	2,075
W. LEO KNOWLTON, Q.C.....	100	100	—
BRIAN R. B. MAGEE.....	100	100	—
WILFRID MAVOR, C.B.E., M.C.....	300	100	200
LAURENCE M. SAVAGE.....	2,550	100	2,450
HENRY R. JACKMAN, Q.C.....	200	100	100
HENRY N. R. JACKMAN.....	100	100	—
J. M. RUTHERFORD*.....	100	—	100
F. G. ELLIOT, F.I.I.C.*.....	20	—	20
J. S. M. WASON, F.F.A., F.C.I.A.*.....	200	—	200

*denotes senior officer who is not a director.

Dominion and Anglo Investment Corporation Limited is the largest shareholder of DOMINION with 51,106 shares, being 25.3% of the outstanding shares. This Company intends to accept the offer as to all of its shares.

Mrs. Dorothy F. Gooderham, the wife of Henry S. Gooderham, owns 2,575 shares of DOMINION and intends to accept the offer as to all her shares. Mrs. Jane Gooderham, the wife of Peter S. Gooderham, owns 20 shares of DOMINION and intends to accept the offer as to all her shares. The infant children of Peter S. Gooderham own 11 shares of DOMINION and these shares will be deposited in acceptance of the offer.

Mulnorgood Securities Limited, associated with Peter S. Gooderham, owns 13,600 shares of DOMINION and will accept the offer as to all its shares.

2. H. R. Jackman, Q.C., a director of DOMINION and also a director of E-L Financial, owns 11,414 common shares of E-L Financial. H. N. R. Jackman, a director of DOMINION and also a director of E-L Financial, owns 10,414 common shares of E-L Financial.

Dominion and Anglo Investment Corporation Limited owns 470,236 common shares of E-L Financial.

3. It is proposed to enlarge the Board of Directors of E-L Financial and to elect or appoint as directors of E-L Financial the directors of DOMINION who are not already directors of E-L Financial and it is also proposed that Henry S. Gooderham, Chairman of the Board of DOMINION, will become Chairman of the Board of E-L Financial. It is also intended that DOMINION will retain the same management and directors as at present.

The contents of this Directors' Circular have been approved and the delivery thereof authorized by the Directors of DOMINION.

11. OPTIONS ETC.

E-L Financial has currently outstanding 238,862.5 warrants giving warrant holders the right to acquire 238,862 shares of the company's common stock. The text of the warrant accompanies this application. The warrant price will be the nearest whole number of dollars above one-half the market price of Empire Life stock on the day of final printing.

Pursuant to the offer to acquire all the outstanding shares of The Empire Life Insurance Company, E-L Financial intends to issue up to 352,264 share purchase warrants of the same issue to the existing shareholders of Empire Life.

12. LISTING ON OTHER STOCK EXCHANGES

No securities of E-L Financial are listed on a Stock Exchange. The shares of The Empire Life Insurance Company have, however, been listed on The Toronto Stock Exchange since 1951.

13. STATUS UNDER SECURITIES ACT

E-L Financial has not been engaged in the distribution of any of its securities to the public. The take-over constitutes an issue of the securities of E-L Financial but as such is exempt from registration under The Securities Act, 1968. The Information Circular and the Directors' Circular have, however, been filed with the Securities Commission.

14. FISCAL YEAR

The fiscal year of E-L Financial ends on December 31st of each year.

15. ANNUAL MEETING

The By-laws of E-L Financial provide that the annual meeting of the Company shall be held at the head office of E-L Financial or at such other place in Ontario on such date in each year that the Board of Directors may determine from time to time. No annual meeting of shareholders of E-L Financial has as yet been held.

16. HEAD OFFICE AND OTHER OFFICES

The head office is located at 243-251 King Street East, Kingston, Ontario. E-L Financial has no other offices.

17. TRANSFER AGENT

The Transfer Agent of E-L Financial is:

Canada Permanent Trust Company, 34 King Street West, Toronto 1, Ontario.

18. TRANSFER FEE

No fee is charged on stock transfers other than the customary Government stock transfer taxes.

19. REGISTRAR

The Registrar of E-L Financial is:

Canada Permanent Trust Company, 34 King Street West, Toronto 1, Ontario.

20. AUDITORS

The auditors of E-L Financial are:

Thorne, Gunn, Helliwell & Christenson, 101 Richmond Street West, Toronto 1, Ontario.

21. OFFICERS

The Officers of E-L Financial are:

H. R. Jackman, Q.C., Chairman

H. H. Blakeman, President

N. D. McDonald, Vice-President

H. N. R. Jackman, Vice-President

J. Alex. Langford, Secretary

The Directors of E-L Financial are:

Air Marshal Wilfred A. Curtis, S.M., C.B., C.B.E., D.Mil.Sc., LL.D., E.D.

—Director since February, 1953

—Chairman, W. A. Curtis & Company Limited, Insurance

N. Donald McDonald, M.B.E., F.L.M.I.

—Director since December, 1960

—Executive Vice-President, The Empire Life Insurance Company

Henry N. R. Jackman

—Director since February, 1965

—Financial Vice-President, The Empire Life Insurance Company

—President, The Debenture and Securities Corporation of Canada

Dr. William A. Mackintosh, C.C., C.M.G., PH.D., LL.D.

—Director since May, 1965

—Former Vice-Chancellor, Queen's University

Honourable Louis P. Beaubien

—Director since March, 1961

—Senator, Government of Canada

Herbert H. Blakeman, F.S.A., F.C.I.A.

—Director since January, 1948

—President, The Empire Life Insurance Company

Newman A. Fairhead

—Director since February, 1935

—President, Lake Simcoe Ice & Enterprises Limited

Charles P. Fell, LL.D.

—Director since July, 1932

—Former President, The Empire Life Insurance Company

Henry R. Jackman, Q.C.

—Director since May, 1956

—Chairman, The Empire Life Insurance Company

—President, Dominion and Anglo Investment Corporation Limited

Thomas Oakley

—Director since February, 1952

—Vice-President, Canadian China & Glass Co. Ltd.

Arthur Pedoe, F.I.A., F.S.A., F.C.I.A.

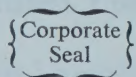
—Director since May, 1965

—Former Life Manager for Canada, The Prudential Assurance Co. Ltd.

CERTIFICATE

Pursuant to a resolution duly passed by its Board of Directors, E-L Financial Corporation Limited hereby applies for listing of the above mentioned securities on The Toronto Stock Exchange, and the undersigned officers thereof hereby certify that the statements and representations made in this application and in the documents submitted in support thereof are true and correct.

E-L FINANCIAL CORPORATION LIMITED



Per: "H. N. R. JACKMAN",
Vice-President and Director

Per: "J. A. LANGFORD",
Secretary

DISTRIBUTION OF COMMON STOCK AS OF DECEMBER 30, 1968

Number						Shares
32	Holders of	1	—	24	share lots	314
60	" "	25	—	99	" "	3,654
46	" "	100	—	199	" "	5,800
70	" "	200	—	299	" "	15,444
18	" "	300	—	399	" "	5,824
31	" "	400	—	499	" "	13,219
61	" "	500	—	999	" "	40,362
80	" "	1000	—	up	" "	870,845
398	Shareholders				Total shares	955,462